GOVERNMENT OF INDIA
HUMAN RESOURCE DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:2478
ANSWERED ON:31.07.2017
Funding Source for Higher Education
Karunakaran Shri P.

Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) whether Government is aware that public support for higher education is essential, but higher educational institutions themselves also need to explore alternate funding sources and if so, the details thereof;

(b) whether all stakeholders and authorities must join in this search; and

(c) if so, the steps being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT

(DR. MAHENDRA NATH PANDEY)

(a) to (c): No Madam, India is spending about 4.9% of GDP (as per UNDP estimates 2014) on education, of which about one-third is spent on higher education. The requirement of funds in the higher educational institutions has always been higher than the funds that are made available through budgetary route. The Government, while making all efforts to increase budgetary allocations for higher education, has encouraged higher educational institutions to improve their internal resource generation through consultancies/ research in order to convert themselves into financially robust institutions. Apart from this, to increase investments in the infrastructure of higher educational institutions, the Higher Education Financing Agency (HEFA) has been set up with an initial capital base of Rs. 300 crores. The HEFA has been incorporated as a Section 8 Company under the Company Act, 2013 and would mobilize debt/Bond funds from the market to finance improvement in infrastructure and research facilities in the higher educational institutions. The loans would be serviced through the internal accruals of the institutions.
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